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be extremely costly. The Cuyabá-Santarem railroad will probably cost about twenty-five million dollars, and the roads through more difficult territory correspondingly more. Perhaps two hundred and fifty million dollars is the minimum amount needed during the next two decades for railroad construction absolutely indispensable to the full economic development of Brazil.

In this respect, of course, Brazil differs only in the size of her problems and, perhaps, in the abundance of the return upon the investment, from her American neighbors. As in other countries the confidence necessary to warrant investment on this scale can be secured only by the healthy development of Brazilian commerce as at present conditioned, by sound public finance and by a correct understanding of the responsibility of the state for the stability of credit. Brazilian commerce is eminently satisfactory if one considers the complete dislocation of some of the chief currents of trade for the Republic's great staples—coffee and rubber. The future gives every promise of a brisk demand for all that Brazil can sell in these fields and in many others for which the market will probably exist in the United States and in Europe. The present alert Minister of Finance proposes to send to this country a delegation precisely for the purpose of studying the possibility of creating here a steady and dependable market for other Brazilian commodities than rubber and coffee.

CHILE

By G. L. DUVAL,
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A slender strip of land 2,600 miles long, in some parts scarcely more than a ledge, separating the Cordillera from the sea, Chile enjoys a variety of climate and products but is essentially a mineral estate. Divisible into three zones—semi-tropical, temperate and rugged—its northern limit is a species of oasis, bordering a vast desert which is nevertheless the most prolific contributor to the national wealth by reason of immeasurable deposits of nitrate of soda, furnishing a monopoly of that commodity.

The late Sir William Crooks, renowned physicist, declared that the future of the world's food supply depends on Chilean nitrate. Although the largest demand is for fertilizing purposes, it is a requisite in the manufacture of acids and high explosives. Germany and her Allies, deprived of supplies, have exploited a synthetic substitute (nitrogen from the air) which is unlikely to be a serious competitor after the war when the inexpensive Chilean nitrate will

not be surcharged with the high ocean freights now prevailing. In any case, consumption increasing progressively, with new areas of demand, will undoubtedly give an outlet for supplies from all sources.

The central section of Chile is highly cultivated and in normal years supplies the country's food requirements, with a surplus for export. An extended system of irrigation from waters now running to waste would enlarge the area and product, and with shorter ocean transport, via Panama, make the famous Chilean fruit known in distant markets, give impetus to the canning industry and encourage immigration to a region where soil and climate leave little to be desired. Coal mines in the central provinces furnish a large part of the internal needs with a product 75 per cent as efficient as the best grades shipped from the United States, Great Britain and Australia.

In the southern section forests and fisheries bring us down to the Straits of Magellan, where Patagonia and Tierra del Fuego are now among the important sources of the world's wool supply. The Cordillera, flanking the entire length of Chile, is a bed of minerals—copper predominating.

The credit of the government is independent of its tax-levying power. The trunk lines of railway, the vast nitrate domain held in reserve and released for operation as required to meet a demand for its product, and the major part of the sheep-grazing lands in the south, are all held in fee by the state.

It is unlikely that the government will undertake any large public improvements in the near future unless money is in more plentiful supply than at present indicated, so its requirements for capital will probably be to meet any of its loans that may be maturing. American capital meeting this requirement will partake of the goodwill that has attended earlier accommodations and brought much good business in its train. Such resourceful interests as are already enlisted in mining industries assure an abundance of capital for their development. Manufacturing enterprises generally, all of which are encouraged by law and many of them favored by local conditions, especially the canning industry, already adverted to, will doubtless make attractive appeals to American capital in the ensuing period.

The growth of our commerce with Chile has been phenomenal—\$10,000,000 in the year ending June 30, 1900, contrasts with \$43,000,000 June 30, 1914, which latter will probably show a further advance of 50 per cent in the current year. About 40 per cent of the total represents exports. How far we shall be able to hold the recent increase of shipments due to the European war will be a problem on the return of peace, when competition is restored. It is probable that our advantage can be held only by the methods originally employed by European countries in securing the trade: all the elements of commerce—manufacturer, merchant and banker—working

together, each helping himself by helping the others. Under American practice there has been no *esprit de corps*—each factor in commerce striving for itself regardless of, and often to the disparagement of, the others, disdaining, moreover, the slower and surer methods of developing business for the quicker way of doubtful tenure. The chief grievance of commerce is against the financial element, which when disposed to assist at all usually favors its newly created agencies or affiliated interests, ignoring and losing the invaluable experience acquired by older and established organizations.

COLOMBIA

BY EDWARD H. MASON,
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While the needs for capital in Colombia in the near future are not materially different from what they have been in the years just prior to the European war, there has been a great change in the method and direction of getting these needs satisfied.

Heretofore, on account of a variety of reasons which need not be dwelt on here, the Colombian capital seeker usually went to the European market and the American capitalist on his side seemed quite willing to have these applications pass on to London or the continent. Now the realization that the United States is the principal source of supply still open to the partly developed countries of South America, but more especially the interested and sympathetic treatment given Colombian projects here, instead of the perfunctory consideration of a few years ago, has turned their capital seekers decidedly to this market.

For convenience we may divide Colombia's capital needs into those of the national government, the departments or states, the cities, and those of private concerns. The national government needs capital primarily to finance the substitution of a gold secured currency for the present non-redeemable paper money system. After this the great need of the country is for capital for the construction of public works, and of these the national government considers of first importance the improvement and sanitation of some important sea-ports. This work the government will probably handle direct and finance it with its own securities. The extension of existing railroad lines and the building of some others in the development of a general plan for a national railway system make the next great need for capital, and the national government, although directly interested by reason of its railway subsidies and its rights of reversion in the various properties when the periods of